LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of **Sayaji Hotels Limited.** If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement, Form of Withdrawal and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER

Pursuant to **Regulations 10 and 12** and applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("**the Regulations**").

BY

CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED

(hereinafter referred as "The Acquirer" or "CCPCL") having their Registered Office at 12, Esperidon Street, 4th Floor, Nicosia, 1087, Cyprus. Tel. No. +357-224-58700; Fax No. +357-224-58777; Email: ccpcyprus@clearwatercp.com; Contact Person: Ms. Arlene Nahikian. There are no Persons Acting in Concert ("PACs") with the Acquirer for the purpose of this Offer.

TO THE SHAREHOLDERS OF SAYAJI HOTELS LIMITED

(hereinafter referred as "SHL" or "The Target Company") having Registered Office at Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara – 390005, Gujarat; India. Tel. No. +91-265-2363030; Fax No. +91-265-222613; Email: mail@sayajiindore.com; Web: www.sayajihotels.com.

TO ACQUIRE

up to 36,78,780 fully paid-up equity shares of Rs. 10/- each with voting rights (Offer Size) from the existing shareholders of SHL representing 21% of post-conversion paid up capital. The Offer is conditional upon acceptance of 36,78,780 fully paid-up equity shares of Rs. 10/- each (i.e entire Offer Size), however the Acquirer agrees to acquire 35,03,600 fully paid-up equity shares of Rs. 10/- each, representing in aggregate 20% of the post-conversion paid up capital / voting rights of SHL for cash, at a price of **Rs. 115.73** (including an interest of Rs. 5.73 for the delayed period) per fully paid-up equity share **("Offer Price"),** irrespective of whether or not the response to the Offer is received to the extent of 36,78,780 fully paid up equity shares of SHL in terms of Regulation 22(8) of the Regulations. If the number of valid shares tendered in terms of the Offer is less than 35,03,600 fully paid-up equity shares, the Acquirer shall not accept any shares tendered.

ATTENTION

1. The acceptance of Shares from Resident and Non-Resident Shareholders is granted by the Reserve Bank of India ('RBI') under the Foreign Exchange Management Act, 1999 ('FEMA') and the RBI's Master Circular No. 2/2009-10 dated 1st July 2009 vide their Letter No. FE.CO.FID. No. 28784/10.21.196/2009-10 dated May 19, 2010. The Acquirer had filed an application in accordance with Regulations with the RBI for their approval in this regard on April 1, 2010 through Manager to the Offer for the transfer of the equity shares tendered by such persons pursuant to the Offer. To the best of knowledge of the Acquirer, no other statutory approvals are required to acquire shares tendered pursuant to this Offer. However, the Offer would subject to all statutory approvals as may become applicable at a later date.

2. If non-resident shareholders, overseas corporate bodies and foreign shareholders had required any RBI or Foreign Investment Promotion Board ('FIPB') approval in respect of any equity shares held by them in the Target Company; they will be required to submit their previous RBI or FIPB approvals that they would have obtained for holding the equity shares of the Target Company. In case such permissions are not submitted, the Acquirer reserves the right to reject such equity shares tendered in the Open Offer.

3. In case of delay in the receipt of the statutory approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders who have validly tendered their Shares, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approval, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. they can withdraw on or before December 9, 2010.

5. If there is any upward revision in the Offer Price by the Acquirer prior to or on the last date for revising the Offer Price viz., December 3, 2010, you will be informed by way of another Public Announcement in the same newspapers in which the Public Announcement was published. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 27 of the Regulations, the same would be communicated by a Public Announcement in the same newspapers in which the Public Announcement appeared.

6. **There has been no competitive bid to this Offer.**

7. As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

8. The Offer is conditional upon acceptance of 36,78,780 fully paid-up equity shares of Rs. 10/- each with voting rights (i.e entire Offer Size of 21%), however the Acquirer agrees to acquire 35,03,600 fully paid-up equity shares, representing in aggregate 20% of the paid up and voting equity share capital of SHL, irrespective of whether or not the response to the offer is received to the extent of 36,78,780 fully paid up equity shares of SHL in terms of Regulation 22(8) of the Regulations. If the number of valid Shares tendered in terms of the Offer is less than 35,03,600 fully paid-up equity shares, the Acquirer shall not accept any shares tendered. The Acquirer undertakes that it shall not acquire any shares in the Target Company from the date of PA till the closure of the Offer and shall be liable for penalty of forfeiture of the entire escrow amount for the non-fulfillment of the obligations under the Regulations.

9. **A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are also available on SEBI's website: www.sebi.gov.in**

MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
SYSTEMATIX GROUP™ Investments Re-defined	**Systematix Corporate Services Limited** SEBI Registration No. INM 000004224 J. K. Somani Building, 2nd Floor, British Hotel Lane, Fort, Mumbai – 400 001. Tel. No: +91-22-3029 8280/81; +91-22-6619 8280/81 Fax No. +91-22-3029 8029 / 6619 8029 Email: investor@systematixgroup.in Website: www.systematixshares.com Contact Person: Mr. Hari Surya / Mr. Amit Kumar		**Sharepro Services (India) Private Limited** SEBI Registration No. INR000001476 13AB, 2nd Floor, Samhita Warehousing Complex; Near Sakinaka Telephone Exchange Lane; Off Andheri Kurla Road, Sakinaka; Andheri (East) Mumbai - 400 072. Tel. No. +91-22-6772 0420/22; Fax No. +91-22-2859 1568 E-mail: shl.offer@shareproservices.com Web: www.shareproservices.com Contact Person: Mr. Prakash Khare/ Mr. Ganesh Rane
OFFER OPENS ON: November 26, 2010		**OFFER CLOSES ON: December 15, 2010**	

SCHEDULE OF ACTIVITIES

ACTIVITY	Original Date (Day)	Revised Date (Day)
Specified Date	03/04/2010 (Saturday)	03/04/2010 (Saturday)
Last date for a Competitive Bid	21/04/2010 (Wednesday)	21/04/2010 (Wednesday)
Date by which Letter of Offer to be posted to the shareholders	10/05/2010 (Monday)	20/11/2010 (Saturday)
Date of Opening of the Offer	20/05/2010 (Thursday)	26/11/2010 (Friday)
Last date for revising the Offer Price / Number of Share	28/05/2010 (Friday)	03/12/2010 (Friday)
Last date for withdrawal of acceptance by the shareholders	03/06/2010 (Thursday)	09/12/2010 (Thursday)
Date of Closure of the Offer	08/06/2010 (Tuesday)	15/12/2010 (Wednesday)
Date of communicating the rejection / acceptance and payment of consideration for the acquired shares	23/06/2010 (Wednesday)	30/12/2010 (Thursday)

SPECIFIED DATE

Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All the owners (registered or unregistered) of Equity Shares of Target Company, (except the Acquirer) anytime before the closure of the Offer, are eligible to participate in the Offer.

Note: Duly Signed Application and Transfer Deed should be reached to the Registrar to the Offer, on or before closure of the Offer i.e. December 15, 2010.

RISK FACTORS

A. RELATING TO THE OFFER

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

1) The Offer involves an offer to acquire up to 36,78,780 equity shares of the Post-Conversion Voting Capital that will constitute of 21% the post-conversion share capital of SHL from the Eligible Persons for the Offer. If the total number of valid shares tendered in the Offer are less than 35,03,600 shares, all the shares tendered would be returned. In the case of over subscription in the Offer, as per the SEBI (SAST) Regulations,1997 acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2) In the event that (a) a statutory and regulatory approvals from RBI and SEBI are not received in a timely manner, (b) there is any litigation leading to a “stay” of the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of SHL whose shares has been accepted in the Offer as well as the return of shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI.

3) Shareholders should note that after the last date of withdrawal i.e. December 9, 2010, the shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

4) The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer, and wherever applicable, by the Target Company, in connection with the Offer. In terms of Regulation 27 of the Regulations, the Acquirer may not to be able to proceed with the Offer in the event the approvals are not received. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

5) The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the equity shares of SHL. Accordingly, the Acquirer makes no assurance with respect to the market price of the shares both during the Offer Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any shareholder of SHL on whether to participate or not to participate in the Offer.

6) Some of the information related to the Target Company in this Letter of Offer is taken from the information available in Public Domain. Neither the Acquirer nor the Manager to the Offer has independently verified the said information.

7) If the Acquirer does not receive atleast 35,03,600 equity shares, all the shares tendered in the Offer will be returned. There is a possibility that shareholders who tendered their shares in the Offer may not receive payment consideration in event of non-fulfillment of the condition as stated. Also, the shares may lie idle till the completion of the Offer and that shareholders who tender their shares will not be able to avail the benefits of market till the completion of the Offer.

B. IN ASSOCIATION WITH THE ACQUIRER

The Acquirer makes no assurance with respect to the financial performance of the Target Company. They also make no assurance with respect to the market price of the Shares upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

The Acquirer does not accept any responsibility for statements made otherwise than in the Letter of Offer / Public Announcement and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

C. RISK IN THE TRANSACTION

The Offer contains a clause that it is subject to the provisions of SEBI (SAST) Regulations and in case of non-compliance with any of the provisions of the Regulations the Acquirer shall not act upon the Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “Rs.” are to the reference of Indian National Rupees (“INR”). Throughout this Letter of Offer, all figures have been expressed in “Lac” unless otherwise specifically stated. At some places US$ and Euro (€) have been used which represents the national currencies of United States and European Union respectively. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and regrouping.

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ABBREVIATIONS / DEFINITIONS

The following abbreviations / definitions apply throughout this document, unless the context requires otherwise:

ABBREVIATION	DETAILS
Acquirer / CCPCL	Clearwater Capital Partners (Cyprus) Limited
ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Conversion Agent	The Bank of New York (Luxembourg) S.A.
Conversion Price	The price at which Bonds will be converted into Equity Shares i.e. Rs. 75.00/-
Conversion Shares	46,68,000 Equity Shares of Rs. 10/- each of SHL
Corrigendum to PA	It is issued in newspapers on November 18, 2010 by the Manager on behalf of the Acquirer.
CY£	Cypriot Pound or Cyprus Pound i.e. Currency of Cyprus
DP	Depository Participant
ECS	Electronic Clearing Services
Eligible Persons	All Shareholders of Sayaji Hotels Limited (registered and unregistered) who own the Shares at any time prior to the Closure of the Offer, except the Acquirer
Euro/€	Currency of European Union
Escrow Banker	HDFC Bank Limited
FCCBs / Bonds	Foreign Currency Convertible Bonds
FEMA	Foreign Exchange Management Act, 1999
FIIs	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
Form of Acceptance	The form of application cum acknowledgement and authority, which is enclosed with this Letter of Offer
Income Tax Act	Income Tax Act, 1961 of India
IFSC	Indian Financial System Code
ISIN	International Securities Identification Number
LOO	Letter of Offer
LuxSE	Luxembourg Stock Exchange
Manager to the Offer	Systematix Corporate Services Limited
MICR	Magnetic Ink Character Recognition
MOA	Memorandum of Association

MPSE	Madhya Pradesh Stock Exchange, Indore
NBFC	Non-Banking Finance Company
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRI	Non-Resident Indian
NSDL	National Securities Depositories Limited
OCBs	Overseas Corporate Bodies
Offering Circular	The Offer Document dated July 28, 2006 through which FCCBs were issued and listed on LuxSE.
Offer Closing Date	December 15, 2010 i.e. Bids received by the Registrar to the Offer on that date by 5.00 p.m. in a valid form as mentioned in Letter of Offer
Offer/Open Offer	Cash Offer being a conditional Offer made hereunder by the Acquirer to the shareholders of Target Company to acquire upto 36,78,780 fully paid up equity shares of Sayaji Hotels Limited.
Offer Period	From November 26, 2010 to December 15, 2010
Offer Price	Rs. 115.73 per share including interest of Rs. 5.73 per equity share for the delayed period for each fully paid-up equity share payable in cash
Public Announcement (PA)	Public Announcement of the Offer issued in newspapers on March 31, 2010 (Wednesday) by the Manager on behalf of the Acquirer.
PACs (Persons Acting in Concert)	There are no Persons Acting in Concert ("PACs") with the Acquirer for the purpose of this Offer.
Paying and Conversion Agent	The Bank of New York (Luxembourg) S.A.
PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992
Promoters	Existing Promoters of Sayaji Hotels Limited
RBI	Reserve Bank of India
Registrar to the Offer	Sharepro Services (India) Private Limited
Regulations	SEBI (SAST) Regulations, 1997
RTA	Registrar and Transfer Agent of SHL i.e. Link Intime India Private Limited
Rs./Rupees/INR	Indian Rupees, the legal currency of India
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof.
Share(s)	Fully paid up equity Share with one vote per equity Share of Sayaji Hotels Limited, having face value of Rs. 10/- each.
Shareholders	Shareholders of Sayaji Hotels Limited
SHCIL	Stock Holding Corporation of India Limited
Special Depository Account	Escrow Account SHL Open Offer
Specified Date	April 3, 2010 (Saturday)
SSA	Share Subscription Agreement
Target Company / SHL	Sayaji Hotels Limited, Vadodara
US$	Legal Currency of United States of America
Voting Right	Voting right of every member of a Company on a poll shall be in proportion to his shares of the paid up equity capital of SHL.
VSE	Vadodara Stock Exchange, Vadodara

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SAYAJI HOTELS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER SYSTEMATIX CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 12, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 BACKGROUND OF THE OFFER

2.1.1 The Offer pursuant to Regulation 10 & 12 of the Regulations i.e. for substantial acquisition of shares and control is being made by the Acquirer to the equity shareholders of SHL. CCPCL is one of the shareholders of SHL and was holding 10,89,891 equity shares and voting rights i.e. 8.48% of the pre-conversion paid-up capital of the Target Company.

2.1.2 On July 28, 2006, SHL had issued 75 (Seventy-Five) 0.5% coupon secured Foreign Currency Convertible Bonds ("FCCBs") @ US$ 100,000 per Bond at 100% of the principal amount of the Bonds which are due for redemption on August 3, 2011.

2.1.3 The said FCCBs were listed and traded on Euro MTF Market of Luxemburg Stock Exchange ("LuxSE") before the date of conversion into equity shares. The Common Code and ISIN for these FCCBs were 026267102 and XS0262671026.

2.1.4 The Acquirer had the right to convert these FCCBs into Equity Shares during the conversion period i.e. from August 26, 2006 to July 23, 2011. To convert the FCCBs into Equity Shares of SHL, a written Notice was served on March 31, 2010 to the Paying and Conversion Agent of the FCCBs i.e. The Bank of New York (Luxembourg) S.A. and to the Target Company.

2.1.5 CCPCL were the holder of the said FCCBs and they exercised their right to convert those FCCBs into 46,68,000 Equity Shares ("Conversion Shares") of SHL at a Conversion Price of Rs. 75/- (Rupees Seventy-Five Only) per Equity Share. The exchange rate of US Dollars to Rupees will be Rs. 46.68 to one US Dollar, being the Federal Reserve Bank of New York's US Dollar to Rupee Exchange Rate on July 26, 2006 i.e. the date mentioned in the FCCBs Offering Circular dated July 28, 2006 as the applicable date.

2.1.6 On May 10, 2010 SHL has allotted 46,68,000 Equity Shares of Rs.10/- each comprising of 26.65% fully paid up post-conversion equity share capital and voting rights of the Target Company to CCPCL upon the conversion of 75 FCCBs. Due to the allotment of Conversion Shares, CCPCL's holding increased from 10,89,891 equity shares to 57,57,891 equity shares aggregating to 32.87% of the post-conversion share capital or voting rights of SHL.

2.1.7 In compliance with the Regulations, the Acquirer made a Public Announcement on March 31, 2010 and a Corrigendum dated November 18, 2010 to the PA, to the shareholders of the Target Company to acquire upto 36,78,780 equity shares of Rs. 10/- each representing 21% of the post- conversion paid-up capital of SHL .

2.1.8 As on the date of the PA, the Acquirer was holding 10,89,891 equity shares aggregating to 8.48% of the pre-conversion paid-up capital and voting rights of the Target Company. As on date of this Letter of Offer the Acquirer is holding 57,57,891 equity shares aggregating to 32.87% of the existing paid-up capital and voting rights of the Target Company.

2.1.9 As on date of PA, the Manager to the Offer i.e. Systematix Corporate Services Limited does not hold any Shares in the Target Company. They declared and undertaken that they shall not deal in the Shares of Target Company during the period commencing from the date of the appointment as Manager to the Offer till the expiry of 15 days from the date of Closure of the Offer.

2.1.10 The proposed change in control is not through any arrangement other than by virtue of the shares to be tendered in the Open Offer and no special rights was given to the bondholders with respect to the management control of the Target Company in the Offering Circular dated July 28, 2006.

2.1.11 This Offer is conditional upon acceptance of 36,78,780 fully paid-up equity shares, however the acquirer agrees to acquire 35,03,600 fully paid-up equity shares of Rs. 10/- each, representing in aggregate 20% of the Paid up and Voting Equity Share Capital of SHL, irrespective of whether or not the response to the offer is received to the extent of 36,78,780 fully paid up equity shares of SHL. If the number of valid Shares tendered in terms of the Offer is less than 35,03,600 fully paid-up equity shares, the acquirer shall not accept any Shares tendered. The Acquirer has not purchased any equity shares of Sayaji Hotels Limited from the date of Public Announcement till the date of this Letter of Offer.

2.1.12 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities in terms of the direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

2.1.13 The Acquirer currently does not have any directors on the Board of the Target Company and they are not proposing to appoint any directors immediately. However, they may request for their nominees on the Board of the Target Company at any time in the future post completion of the Open Offer.

2.1.14 There is no PAC with Acquirer for the said Open Offer.

2.1.15 All shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.

2.1.16 The Acquirer has not been allotted any Equity Shares in the Target Company by way of allotment in a Public or Rights or Preferential Issue during the 26-week period prior to the date of PA.

2.1.17 On successful completion of the Offer, the Acquirer will acquire substantial control in the Target Company and become a part of the Promoter Group of the Target Company. If the Offer does not succeed in terms of the conditions specified, the Acquirer will remain categorised as a public shareholder in the Target Company.

2.2 DETAILS OF THE PROPOSED OFFER

2.2.1 In order to effect conversion of FCCBs, a PA was released on March 31, 2010 in compliance with the Regulations prior to the conversion of FCCBs. A written Notice was also served on the same day to the Paying and Conversion Agent and to the Target Company to effect the conversion of FCCBs. On May 10, 2010; 75 FCCBs converted into 46,68,000 Equity Shares of the Target Company at a conversion price of Rs. 75.00/- per Equity Share and other pre defined terns and conditions as mentioned in the FCCBs Offering Circular.

2.2.2 Hence the Acquirer made the Open Offer at a price of Rs. 115.73/- (Rupees One Hundred Fifteen and Seventy-Three Paise only) per share including an interest of Rs. 5.73 for the delayed period ('Offer Price'), payable in cash in terms of Regulation 20 of the Regulations to the shareholders of Target Company to acquire upto 36,78,780 equity shares of Rs. 10/- each representing 21% of the voting capital. The Offer is computed based on post-conversion paid up equity capital of the Target Company and in compliance with the Regulations.

2.2.3 The Public Announcement (PA) and subsequent Corrigendum to PA were made by the Manager to the Offer on behalf of the Acquirer on March 31, 2010 (Wednesday) and November 18, 2010 (Thursday) respectively as per Regulation 15(1) of the SEBI (SAST) Regulations in the following newspapers:

Sr. No.	Newspapers	Editions
1	Business Standard (National English Daily)	All India Editions
2	Business Standard (National Hindi Daily)	All India Editions
3	Navshakti (Marathi Daily)	Mumbai Edition
4	Vadodara Samachar (Gujarati Daily)	Vadodara Edition

The Public Announcement, Corrigendum to PA and this Letter of Offer are also available on the SEBI's website: www.sebi.gov.in

2.2.4 The Offer to the equity Shareholders of Sayaji Hotels Limited is to acquire upto 36,78,780 equity shares representing 21% of the existing equity voting capital of Sayaji Hotels Limited at a price of Rs. 115.73 (Rupees One Hundred Fifteen and Seventy-Three Paise Only) per share including an interest of Rs. 5.73 per share for the delayed period ("Offer Price"). The payment to the shareholders whose shares have been accepted shall be in cash and will be paid by Cheque / Demand Draft / Direct Credit.

2.2.5 All the Equity Shares of the Target Company are fully paid up and there are no partly paid up Equity Shares in the Target Company.

2.2.6 This is not a competitive bid and there was no completive bid till the due date.

2.2.7 The Offer is subject to a minimum level of acceptance hence it is a "Conditional Offer". The Acquirer will acquire all the fully paid up equity shares of Sayaji Hotels Limited that are validly tendered and accepted in terms of this Offer upto 36,78,780 fully paid Equity Shares representing 21% of the total paid up and voting capital of the Target Company. If the number of valid Shares tendered in terms of the Offer is less than 35,03,600 fully paid-up equity shares, the acquirer shall not accept any shares tendered.

2.2.8 All Shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.

2.2.9 The Acquirer has not acquired any Shares in the Target Company after the date of PA till the date of this Letter of Offer except the Conversion Shares. Also, the Acquirer undertakes that it will not acquire any shares till the closure of the Offer.

2.2.10 The Offer is not a global acquisition resulting in indirect acquisition of the Target Company.

2.3 OBJECT OF THE ACQUISITION / OFFER

2.3.1 The Offer has been made pursuant to Regulation 10 & 12 of the Regulations.

2.3.2 The prime object of the Offer is to comply with the requirements under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. Accordingly, a Public Announcement followed by an Open Offer has been made in connection with the acquisition of voting rights and control by the Acquirer which are in excess of 15% of the voting rights of SHL, a public limited company.

2.3.3 If the Acquirer does not get a minimum of 35,03,600 equity shares in the Open Offer, it will refund all the equity shares tendered in the Open Offer.

3. BACKGROUND OF THE ACQUIRER

3.1 CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED ("CCPCL")

3.1.1 Clearwater Capital Partners (Cyprus) Limited incorporated under the Companies Law, Cap. 113 as a Limited Liability Company on February 10, 2004 in the Republic of Cyprus. The Corporate Identification Number ("CIN") of CCPCL is 145518.

3.1.2 The Registered Office of CCPCL is situated at 12, Esperidon Street, 4th Floor, Nicosia, 1087, Cyprus. Tel. No. +357-224-58700; Fax No. +357-224-58777; Email: ccpcyprus@clearwatercp.com; Contact Person: Ms. Arlene Nahikian.

3.1.3 As on the date of PA, the Board of Directors of CCPCL comprises of Mr. Robert Dean Petty, Ms. Arlene Nahikian and Mr. Costas Christoforou. None of the Directors is on the Board of SHL.

Name and Residential Address	Qualification	Experience	Date of Appointment
Mr. Robert Dean Petty Bond Street, 48/5th Floor, New York, NY 10012, USA	B.A. (Political Science)	25 years in the field of investment and management	10/02/2004
Ms. Arlene Nahikian Ithakis 44A, Engomi PC 2400 Nicosia, Cyprus	LCC Accounting (Higher Stage)	26 years in the field of accounting	10/02/2004
Mr. Costas Christoforou Pontou/1, Flat 102 Agios Andreas, PC 1007 Nicosia, Cyprus	B.Sc., Accounting	22 years in the field of accounting	21/03/2005

3.1.4 As on the date of the PA, the Authorised Share Capital of the company is Euro (€) 4,27,500 (US$ 6,13,352*) comprising of 2,50,000 shares of € 1.71 each and Paid up Share Capital is € 10,260 (US$ 15,463**) comprising of 6,000 shares of € 1.71 each.
** Authorised Share capital in Euro converted to US Dollars at the foreign exchange rate prevailing on December 31, 2009. (1 US Dollar = 0.69699 Euro)*
*** Issued share capital in Euro converted to US Dollars at the actual foreign exchange rate in which the amounts were received by CCPCL.*

3.1.5 Share capital Built-up of CCPCL

Date of Allotment	No. of Shares issued	% of Shares issued to the total shares	Issue Price	Cumulative Paid-up Capital (in US$)	Identity of Allottees
10/02/2004	1000	16.67	CY£ 321.05*	1900	Clearwater Funds
01/06/2008	5000	83.33	€ 1.71	15463	Clearwater Funds
Total	**6000**	**100.00**	**--**	**17363**	**--**

*The face value per share at the time of inception was CY£ 1 and the shares were issued at a premium of CY£ 320.05 per share. With effect from January 1, 2008, the Companies authorised, issued and subscribed capital was converted into € (Euro) with a nominal value of € 1.71 per share.

3.1.6 As on date of the PA, there are no partly paid-up equity shares. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date. Also, there were no shares under lock-in as on March 31, 2010.

3.1.7 As per Memorandum of Association ("MOA") of CCPCL, the objects for which it is established are to carry business of a holding and an investment company, to provide services as business consultants, to acquire and lease property and equipment and to acquire other businesses etc. The principal activity of CCPCL is investing in securities (equity and debt) in Asia.

3.1.8 The equity shares of CCPCL are not listed on any stock exchange.

3.1.9 The 100% shares of CCPCL are held by various Clearwater Funds.

3.1.10 The Acquirer holds 57,57,891 equity shares aggregating to 32.87% of the existing share capital of the Target Company as on date of the Letter of Offer. CCPCL's holding as on date of the PA was 10,89,891 equity shares aggregating to 8.48% of the pre-conversion paid-up capital and voting rights of the Target Company.

3.1.11 The Networth of the Acquirer as on December 31, 2010 based on audited trial balance stood at US$ 9,305,023 and the same is certified by Ernst & Young Cyprus Limited being the Certified Public Accountants ("CPA") and Registered Auditors of CCPCL vide their certificate dated March 26, 2010. The office of said CPA is situated at Nicosia Tower Centre, 36 Byron Avenue, P.O. Box 21656; 1511 Nicosia, Cyprus. Tel. No. +357-2220-9999 and Fax No. +357-2220-9998/97/96.

3.1.12 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

3.1.13 Status of compliance with SAST Regulations

The Acquirer (who is also a major shareholder of the Target Company) has complied with the provisions of Regulation 7(1) & 7(2) of Chapter II of the Regulations on time till date.

3.1.14 The prior holding of CCPCL in SHL was acquired during May 2006 through a Share Subscription Agreement ("SSA") between CCPCL, the Sponsors of Sayaji Hotels Limited and SHL dated May 9, 2006.

3.1.15 The Acquirer is registered as Debt FII (as a sub-account of Marc Faber) with SEBI (Registration Number – 2004940) and having an Indian PAN Card bearing number AACCC9756A.

3.1.16 There is no company which is promoted by CCPCL till date. It has only one wholly owned subsidiary company in India named Clearwater Capital Partners (India) Private Limited which is registered as an NBFC.

3.1.17 The audited financial details of CCPCL in USD for last three years **(In US$)**

Profit & Loss Account as on	31/12/2009 Audited	31/12/2008 Audited	31/12/2007 Audited
Income from Operations	65,590,699	32,987,986	93,493,948
Other Income	776,137	497,150	--
Total Income	63,336,836	33,485,136	93,493,948
Total Expenditure	60,678,500	31,820,203	89,952,884
PBDIT	2,688,366	1,664,933	3,541,064
Depreciation	--	--	--
Interest	--	--	--
Profit/(Loss) Before Tax	2,688,366	1,664,933	3,541,064
Provision for Tax	481,993	437,840	512,866
Profit/(Loss) After Tax	2,206,343	1,227,093	3,028,198
Balance Sheet as on	**31/12/2009**	**31/12/2008**	**31/12/2007**
Sources of Funds			
Capital Account	15,463	15,463	1,900
Reserves and Surplus (Excluding Revaluation Reserve)	9,289,560	7,083,217	5,861,942
Net worth	9,305,023	7,098,680	5,863,842
Secured Loans	Nil	Nil	Nil
Unsecured Loans	217,337,385	184,320,784	391,397,296
Total	226,642,408	191,419,464	397,261,138
Uses of Funds			
Net Fixed Assets	Nil	Nil	Nil
Investments	224,762,555	188,929,869	379,438,127
Current Assets Loan and Advances	1,959,506	3,095,866	20,191,486
Current Liabilities	79,653	606,271	2,368,475
Net Current Assets	1,879,853	2,489,595	17,823,011
Total Misc. Exp. Not Written Off	Nil	Nil	Nil
Total	226,642,408	191,419,464	397,261,138
Other Financial Data	**31/12/2009**	**31/12/2008**	**31/12/2007**
Dividend (%)	Nil	Nil	Nil
Earning Per Share	367.72	204.52	3,028.20
Return on Net worth (%)	23.71%	17.28%	51.64%
Book Value Per Share	1,550.84	1,183.11	5,863.84

Note: The Financial Year (FY) of CCPCL starts on January 1st of every year and ends on December 31st of the same year. Figures have been regrouped wherever applicable.

3.1.18 The audited financial details of CCPCL in INR for last three years **(In INR Lac)**

Profit & Loss Account as on	31/12/2009 Audited	31/12/2008 Audited	31/12/2007 Audited
Income from Operations	29,217.34	15,982.55	36,845.96
Other Income	362.30	241.00	--
Total Income	29,579.64	16,223.55	36,845.96
Total Expenditure	28,324.72	15,416.89	35,450.43
PBDIT	1,254.92	806.66	1,395.53
Depreciation	--	--	--
Interest	--	--	--
Profit/(Loss) Before Tax	1,254.92	806.66	1,395.53
Provision for Tax	224.99	212.13	202.12
Profit/(Loss) After Tax	1,029.93	594.53	1,193.41
Balance Sheet as on	**31/12/2009**	**31/12/2008**	**31/12/2007**
Sources of Funds			
Capital Account	7.22	7.49	0.75
Reserves and Surplus (Excluding Revaluation Reserve)	4,336.37	3,431.82	2,310.19
Net worth	4,343.58	3,439.31	2,310.94
Secured Loans	Nil	Nil	Nil
Unsecured Loans	101,453.09	89,303.42	154,249.67
Total	105,796.68	92,742.73	156,560.61
Uses of Funds			
Net Fixed Assets	Nil	Nil	Nil
Investments	104,919.16	91,536.52	149,536.57
Current Assets Loan and Advances	914.70	1,499.95	7,957.46
Current Liabilities	37.18	293.74	933.42
Net Current Assets	877.52	1,206.21	7,024.05
Total Misc. Exp. Not Written Off	Nil	Nil	Nil
Total	105,796.68	92,742.73	156,560.61
Other Financial Data	**31/12/2009**	**31/12/2008**	**31/12/2007**
Dividend (%)	Nil	Nil	Nil
Earning Per Share (in INR)	17,165	9,909	119,341
Return on Net worth (%)	23.71%	17.28%	51.64%
Book Value Per Share (in INR)	72,393	57,322	231,094

RBI Reference Rates per US$ (in INR)	**46.68**	**48.45**	**39.41**

Note: The Financial Year (FY) of CCPCL starts on January 1st of every year and ends on December 31st of the same year. Figures have been regrouped wherever applicable.

3.1.19 Major Contingent Liabilities

There are no major contingent liabilities.

3.1.20 Reason for fall/rise in total Income and PAT in the relevant years

The principal activity of CCPCL is investing in equity and debt securities in Asia. Income and PAT of the company vary completely on market conditions and prices of securities. Other factors which matter are global market conditions, political & market scenario and market structure of a country including economic growth rate, inflation, export conditions, entry-exit barriers, legal, regulatory & statutory framework, restriction on investments, taxation on investment income etc.

3.1.21 Summary of significant accounting policies

Foreign exchange

The Company's functional currency is the US Dollar. Transactions in currencies other than the functional currency are recorded at the prevailing exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are stated at the foreign exchange rate ruling at the balance sheet date. Translation differences are taken to the income statement. Non-monetary items that are measured at historic cost in a foreign currency, are translated using the exchange rates ruling as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates ruling at the date when the fair value was determined.

Income Tax

Taxation on income is provided in accordance with Cyprus income tax regulations and is recognised as an expense in the period in which the income arises. Deferred tax is provided using the liability method.

Deferred tax liabilities are recognised for all taxable temporary differences between the tax basis of assets and liabilities and their carrying amounts at the balance sheet date, which will give rise to taxable amounts in future periods. Deferred tax liabilities are not recognised for all taxable temporary differences associated with investments in subsidiaries and branches except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unutilised tax losses to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and carry-forward of unutilised tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise all or part of the deductible temporary differences or tax losses.

Deferred tax assets and liabilities are measured at the amount that is expected to be paid to or recovered from the tax authorities, after taking into account the tax rates and legislation that have been enacted or substantially enacted by the balance sheet date.

Current and deferred tax assets and liabilities are offset when they arise from the same tax reporting entity and relate to the same tax authority and when the legal right to offset exists.

Net finance costs

Net finance costs consist of bank charges and brokerage fees and are recognised on an accruals basis.

Financial Instruments

Date of recognition

Purchases or sales of financial assets, where delivery is required within a time frame established by regulations or by market convention, are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Derivatives are recognised on a trade date basis.

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and liabilities not measured at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

Management has classified all investments at fair value through profit or loss, except for the debt securities and preference shares of the subsidiary which are classified as loans and receivables.

Financial assets or financial liabilities at fair value through profit or loss

Financial instruments are classified in this category on initial recognition when the following criteria are met: (a) the designation eliminates or significantly reduces the inconsistency that would otherwise arise from the measurement of the assets or the recognition of gains or losses on them on a different basis, or (b) the assets are part of a group of financial assets, financial liabilities or both which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or (c) the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows of the instrument or it is clear, with little or no analysis, that the embedded derivative could not be separated.

In determining the fair value of the financial instruments, valuation techniques are applied. A variety of factors is incorporated in these models such as time value and volatility, market liquidity and other assumptions reflecting the underlying economics. All valuation models are validated for financial reporting and reviewed periodically.

Financial instruments at fair value through profit or loss are recognised in the balance sheet at fair value and all changes in fair value are recognised in the income statement.

Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest rate method less any provision for impairment.

Derecognition of financial instruments

Financial assets

A financial asset is derecognised when: (a) the rights to receive cash flows from the asset have expired, or (b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party and has: either (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts.

Revenue

Revenue is recognised when it is probable that economic benefits will flow to the Company and revenue can be reliably measured.

Interest income

Interest income is recognised as interest accrues.

Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

3.2 DISCLOSURE IN TERMS OF REGULATION 16 (IX)

3.2.1 The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.

3.2.2 Other than in the ordinary course of business, the Acquirer undertake that they will not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

3.3 FUTURE PLANS OF THE ACQUIRER WITH REGARD TO THE TARGET COMPANY

3.3.1 The Offer has been made pursuant to Regulation 10 & 12 of the Regulations.

3.3.2 The prime object of the Offer is to comply with the requirements under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 that a public announcement followed by an Open Offer has to be made in connection with the acquisition of voting rights & control by an acquirer which are in excess of 15% of the voting rights of a listed company.

3.3.3 The Acquirer is a financial investor and the investment in the Target Company is in the nature of investment for growth and to reap the benefits of opportunities available.

3.4 OPTION IN TERMS OF REGULATION 21

On successful completion, the Offer will result in public shareholding being reduced to a level below the limit specified in Clause 40A of the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis. In the event that subsequent to this Offer, the public shareholding falls below the requirements specified in the Listing Agreement, the Acquirer will in accordance with Regulation 21(2) facilitate the Target Company to raise its public shareholding to the level specified for continuous listing for the next 3 years after the Offer as mentioned under the Listing Agreement. The Acquirer undertakes to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement and other applicable laws within the time period mentioned therein or in accordance with such other directions as may be provided by the stock exchanges. Further, the Acquirer agrees that in that event, it shall forthwith adopt any of the following methods to raise the public shareholding to the minimum level within a period of one year from the date of successful completion of the Offer:

(a) issuance of shares to public through prospectus;
(b) offer for sale of shares held by promoters to public through prospectus;
(c) sale of shares held by promoters through the secondary market; or
(d) any other method which does not adversely affect the interest of minority shareholders.

4. BACKGROUND OF TARGET COMPANY ("SHL" / "SAYAJI HOTELS LIMITED")

4.1.1 SHL was incorporated on April 5, 1982 bearing Registration No. 5131 as Monali Land & Housing Company Private Limited Company and later the Company dropped the word "Private" from its name on May 1, 1987. This name was subsequently rechristened to Sayaji Hotels Limited on July 10, 1987.

4.1.2 The Registered Office of SHL is situated at Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara – 390005, Gujarat; India. Tel. No. +91-265-2363030; Fax No. +91-265-222613; Email: mail@sayajiindore.com. The CIN of SHL is L51100GJ1982PLC005131.

4.1.3 The Company started its hospitality venture in the year 1989 by acquiring its first hotel from GFSC and named "Sayaji" since it was located in Sayajiganj, Vadodara. SHL came out with its Initial Public Offer (IPO) of 18,00,000 equity shares of Rs. 10/- at par aggregating to Rs. 180.00 Lac during October 1992 and retained 15% oversubscription as per CCI Guidelines.

4.1.4 Currently SHL has 3 hotels under the brand name of "Sayaji" situated at Vadodara, Indore and Pune. SHL has 2 subsidiaries named Barbeque-Nation Hospitality Limited and Malwa Hospitality Private Limited with their respective Registration No. U55101MP2006PTC019014 and U55209MP2008PTC020502.

4.1.5 As on the date of the PA, there are no partly paid up shares issued by the Target Company. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date except for the 75 FCCBs held by the Acquirer.

4.1.6 As on date of the PA, the Authorised Share Capital of the Company is Rs. 3000.00 Lac (Rupees Three Thousand Lac Only) consisting of 2,00,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 2000.00 Lac and 10,00,000 Preference Shares of Rs. 100/- each aggregating to 1000.00 Lac.

4.1.7 As on date, the issued, subscribed and paid-up capital of the Company is Rs. 1751.80 Lac (Rupees One Thousand Seven Hundred Fifty-One Lac and Eighty Thousand Only) comprising of 1,75,18,000 Equity Shares of Rs. 10/- each fully paid.

4.1.8 Pre-Conversion Capital Structure of Sayaji Hotels Limited

Paid-up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Share / Voting Rights
Fully Paid-up Equity Shares	1,28,50,000	100.00
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	1,28,50,000	100.00
Total Voting Rights in Target Company	1,28,50,000	100.00

4.1.9 Post-Conversion Share Capital Structure of Sayaji Hotels Limited

Paid-up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Share / Voting Rights
Fully Paid-up Equity Shares	1,75,18,000	100.00
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	1,75,18,000	100.00
Total Voting Rights in Target Company	1,75,18,000	100.00

4.1.10 As on date of the PA, the total number of shares pledged by the promoters of the Target Company was 59,61,106 equity shares.

4.1.11 As per the resolution passed through Postal Ballot on March 27, 2009; SHL transferred the operating rights of the 5 restaurants situated at Mumbai, Hyderabad, Indira Nagar & Koramangla in Bangalore and Gurgaon and the brand name “Barbeque-Nation” to its subsidiary company named Barbeque-Nation Hospitality Limited.

4.1.12 The equity shares of the Target Company are listed on the BSE, VSE, MPSE and ASE. The Shares of the Target Company are placed in “B” group with a Scrip Code of 523710 on BSE. The ISIN of SHL is INE318C01014.

4.2 Details of Share Capital history of SHL till the date of PA

Date of allotment	No. of Shares allotted / purchased / sold	% of shares issued	Cumulative Shares	Cumulative Paid-up Capital (in Rs.)	Mode of allotment	Identity of allottees	Status of Compliance
Incorporation	20	100.00	20	2000	Initial subscription to the Memorandum	Subscribers to MOA	Complied with
28/03/1984	1,730	98.86	1750	1,75,000	Further Issue	Promoters / Others	Complied with
29/03/1985	3,250	65	5000	5,00,000	Further Issue	Promoters / Others	Complied with
13/04/1987	45,000	90.00	50000	5,00,000	Subdivision of face value of equity share from Rs. 100 to Rs. 10 each	To all the shareholders	Complied with
20/05/1989	1,010,000	95.28	1060000	106,00,000	Further Issue	Promoters / Others	Complied with
12/12/1991	140,000	11.67	1200000	120,00,000	Further Issue	Promoters / Others	Complied with
22/10/1992	2,070,000	63.30	3270000	3,27,00,000	Initial Public Issue of Equity Share at Par	Promoters / Others	Complied with
24/02/1995	1,090,000	25.00	4360000	4,36,00,000	Right Issue in the ratio of 1 share for every 3 equity share held	Promoters / Others	Complied with
28/04/1998	3,000,000	40.76	7360000	7,36,00,000	Preferential Issue	Promoters / Others	Complied with except filing of report and fee under Reg. 3

23/02/1999	500,000	6.36	7860000	7,86,00,000	Fresh issue of equity share to MPSIDC	Others	Complied with
02/03/2006	725,000	8.44	8585000	8,58,50,000	Preferential Issue	Promoters	Complied with except provisions of Reg. 11
15/05/2006	1,625,000	13.57	12000000	12,00,00,000	Preferential Issue	Promoters	Complied with except provisions of Reg. 11
15/05/2006	1,790,000	14.92			Preferential Issue	CCPCL	Complied with
13/082007	425,000	3.42	12425000	12,42,50,000	Exercised conversion of Warrants	Promoters	Complied with
03/09/2007	425,000	3.31	12850000	12,85,00,000	Exercised conversion of Warrants	Promoters	Complied with except the provisions of Reg. 11
10/05/2010	4,668,000	26.65	17518000	17,51,80,000	Due to conversion of FCCBs	CCPCL	Complied with
Total	**17,518,000**	**100**		**17,51,80,000**	**--**	**--**	**--**

4.2.1 SHL is listed on BSE, ASE, VSE and MPSE only. The Shares of the Target Company are frequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the Regulations. The Shares of SHL have not been suspended any time from any of the stock exchanges since listing.

4.2.2 There is no outstanding instrument in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into Equity Shares on any later date. Also, there are no equity shares which are under lock-in as on date of PA.

4.2.3 **Status of Compliance with SEBI (SAST) Regulations**

a. By the Target Company

The Target Company has complied with all the provisions of Chapter II of the Regulations in time till date except the following:

- Reg. 6(2) & 6(4) – delay by 675 days
- Reg. 8(3) for the year 2005 – delay by 111 days

SEBI may initiate action against the Target Company for the said delays in compliance with the Regulations.

b. By the Promoters of the Target Company

The Promoters of the Target Company have complied with Reg. 8(1) & 8(2) on time till date. On the basis of allotment made by the Target Company, the promoters have complied with Reg. 7(1A) on time but for any other non-compliances with regard to off-market/market transactions made by the promoters; SEBI may initiate action against the Promoters of the Target Company in future.

c. Compliance with regard to Reg. 11(1)

Based on the information provided by the Target Company, it is observed that the Promoters of the Target Company have violated the provisions of Reg. 11(1) during the year 2006 and 2007 at the time of preferential issue and conversion of warrants respectively. SEBI may initiate action against the Promoters for the aforesaid violations.

4.2.4 All the equity shares of the Target Company are listed on BSE and the Target Company has also been paying the annual listing fees to BSE. However, only 76,80,000 equity shares of the Target Company are listed on ASE, MPSE and VSE. Also, the Target Company has not been paying any listing fees to these stock exchanges (other than BSE) for the past few years and no steps have been taken by the Target Company to list its equity shares (other than 76,80,000 equity shares) to these stock exchanges.

4.2.5 SHL has been complying with the listing requirements except as mentioned at para 4.2.4 and no penal actions/suspension have been initiated by any of the stock exchanges against SHL. The Target Company has been complying with the relevant listing requirements of BSE from time to time and no penal / punitive action including suspension is taken by BSE against the Target Company till the date of PA.

4.3 Details of merger, de-merger, spin-offs during last 3 years

There has not been any merger / demerger or spin-off in Sayaji Hotels Limited during the past 3 years.

4.4 Details of Board of Directors of Sayaji Hotels Limited as on date of PA

Sr. No	Name & Address	Designation	DIN	Experience	Date of Appointment
1.	**Shri Razak D. Dhanani** "Sayaji Hotels", Opp. Rajshree Talkies, Near Kala Ghoda, Sayajigunj, Vadodara - 390 005.	Chairman Non-Executive, Non-Independent Director	00926236	Commerce Graduate and having more than 10 years in Fertilizers and Hotel Industry	16/02/1987
2.	**Shri Sajid R. Dhanani** H-1, Scheme No. 54, Vijay Nagar, Near Meghdoot Garden, Indore - 452 008.	Managing Director Executive, Non-Independent Director	00007529	Commerce Graduate & Diploma in Hotel Management and having more than 10 years experience in Hotel Industry	16/02/1987
3.	**Shri Rajendra Sharma** G.M. TFCI, 5th Floor, IFCI Tower, Nehru Palace, New Delhi - 110 019.	Nominee –TFCI Non-Executive, Independent Director	00121509	MBA; Chief General Manager - TFCI	16/03/2005
4.	**Shri Y.S. Mehta** M. P. Financial Corporation Capital Market Division, Navratan Bagh, Indore - 452 001.	Nominee – MPFC Non-Executive, Independent Director	00418859	MBA - Finance	29/11/2005
5.	**Shri T.N. Unni** 402, Alankar Point, 4-A, Rajgarh Kothi Geeta Bhawan Chouraha, A.B. Road, Indore - 452 001.	Non-Executive, Independent Director	00079237	Practicing Chartered Accountant for over 40 years	31/01/2002
6.	**Capt. Salim Sheikh** Sayaji Hotels Limited, H-1, Scheme No. 54, Vijay Nagar, Near Meghdoot Garden, Indore - 452 001.	Non-Executive, Independent Director	00408322	B. Sc.; Ex-Army Personnel	31/01/2002
7.	**Shri Munawar Garbadawala** Sayaji Hotel, Opp. Rajshree Talkies, Kala Ghoda, Sayajigunj, Vadodara - 390 005.	Executive, Non-Independent Director	00368401	Diploma in Hotel Management and more than 10 years experience in Hotel Industry	29/12/1998
8.	**Shri T.S. Bhattacharya** Flat M-1, Kinellan Towers, 100-A Napean Sea Road, Mumbai – 400 006.	Non-Executive, Independent Director	00157305	M.Sc. in Nuclear Physics & Diploma in Management Science and having more than 30 years in Banking Sector	30/04/2009

None of the above Director(s) is/are neither representative of the Acquirer nor associated / related with the Acquirer in any manner.

4.5 Brief audited financial details of the Target Company for the last 3 years

4.5.1 Standalone

(Rs. In Lacs)

Profit & Loss Account as on	31/03/2010 Audited	31/03/2009 Audited	31/03/2008 Audited
Income from Operations	8,141.57	8,218.55	6,858.42
Other Income	55.98	41.92	64.28
Total Income	8,197.55	8,260.46	6,922.71
Total Expenditure	5,889.13	6,247.64	4,954.67
PBDIT	2,308.42	2,012.82	1,968.04
Depreciation	947.42	602.53	493.64
Interest	1,293.91	718.80	547.31
Profit/(Loss) Before Tax	70.77	763.10	913.35
Provision for Tax	106.52	245.04	299.60
Profit/(Loss) After Tax	**(35.75)**	**518.06**	**613.75**
Balance Sheet as at			
Sources of Funds			
Paid-up Share Capital	1285.00	1285.00	1285.00
Reserves and Surplus (Excluding Revaluation Reserve)	4505.08	4540.83	4022.76
Net worth	5790.08	5825.83	5307.76
Secured Loans	12964.13	13591.29	6566.98
Unsecured Loans	4055.33	4020.93	3858.91
Deferred Tax	792.62	748.89	604.76
Total	**23602.16**	**24186.94**	**16338.43**
Uses of Funds			
Net Fixed Assets	19447.05	18950.85	11951.17
Investments	1467.78	1464.70	667.30
Net Current Assets	2687.33	3771.40	3719.95
Total Misc. Exp. Not Written Off	0.00	0.00	0.00
Total	**23062.16**	**24186.95**	**16338.43**
Other Financial Data	**31/03/2010**	**31/03/2009**	**31/03/2008**
Dividend (%)	-	-	-
Earning Per Share (Rs.)	(0.28)	4.03	4.78
Return on Net worth (%)	(0.62)	8.89	11.56
Book Value Per Share (Rs.)	45.06	45.34	41.31

Note: Figures have been regrouped wherever applicable.

4.5.2 Consolidated (Rs. In Lacs)

Profit & Loss Account as on	31/03/2010 Audited	31/03/2009 Audited	31/03/2008 Audited
Income from Operations	15,791.63	11,158.54	6,927.47
Other Income	72.52	51.59	64.39
Total Income	15,864.15	11,210.13	6,991.86
Total Expenditure	12,738.92	9,570.10	5,091.76
PBDIT	3,125.23	1,640.03	1,900.10
Depreciation	1,330.85	861.53	504.64
Interest	1,624.73	930.78	547.77
Profit/(Loss) Before Tax	46.33	(328.47)	836.33
Provision for Tax	96.56	(44.00)	411.99
Profit/(Loss) After Tax	**(50.23)**	**(284.87)**	**561.63**
Balance Sheet as at			
Sources of Funds			
Paid-up Share Capital	1,285.00	1,285.00	1,285.00
Reserves and Surplus (Excluding Revaluation Reserve)	5,229.20	3,286.11	3,570.57
Net worth	6,514.20	4,571.11	4,855.57
Secured Loans	15,157.17	16,211.61	7,953.64
Unsecured Loans	4,055.33	4,020.93	3,859.25
Deferred Tax	4,52.83	426.74	578.58
Total	**26,277.09**	**25,230.39**	**17,247.04**
Uses of Funds			
Net Fixed Assets	22,790.84	22,784.73	13,814.46
Investments	64.39	61.31	61.31
Net Current Assets	3,421.86	2,784.43	3,771.36
Total Misc. Exp. Not Written Off	0.00	0.00	0.00
Total	**26,277.09**	**25,630.47**	**17,647.13**
Other Financial Data	**31/03/2010**	**31/03/2009**	**31/03/2008**
Dividend (%)	-	-	-
Earning Per Share (Rs.)	(0.39)	(2.22)	4.37
Return on Net worth (%)	(0.77)	(6.23)	11.57
Book Value Per Share (Rs.)	50.72	35.57	37.79

Note: Figures have been regrouped wherever applicable.

4.5.3 Major Contingent Liabilities (As on 31st March 2010)

- Guarantees given on behalf of other companies - Rs.5621.82 lacs (Previous year Rs. 520 lacs)
- Disputed statutory liabilities in respect of service tax not provided for - Rs. 661.91 lacs (Previous year Rs. 271 Lacs) – The matter is pending before the hon'ble CESTAT, New Delhi. The Company has got stay order against the demand.
- Customs duties saved against imports under EPCG scheme - Rs. 750.38 lacs (Previous year Rs. 695.30 lacs)
- Claim against the Company acknowledge as Debt Rs. 5.06 Lacs
- Disputed liability interms of Luxury Tax (Rs. 41.13 Lacs); VAT (Rs. 20.73 Lacs) and Entry Tax (Rs. 4.64 Lacs)

4.5.4 Reason for fall/rise in total Income and PAT in the relevant years

- The reason for fall in income and PAT of the company compared to the previous FY is due to substantial rise in the interest cost along with the depreciation cost of Pune Hotel Project and transfer of the 5 restaurants by the Name of Barbeque-Nation on operating right basis to the subsidiary which has resulted in the fall of revenue in the current financial year.

4.5.5 Significant Accounting Policies of SHL

a) Convention :

i. The financial statements have been prepared under the historical cost convention and on the basis of going concern, in accordance with the generally accepted accounting principles and provisions of the Companies Act 1956.

ii. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

iii. Where changes in presentation are made, comparative figures for the previous year are regrouped accordingly.

b) Fixed Assets :

i. Accounted at acquisition cost including directly attributable costs such as freight, insurance and specific installation charges for bringing the asset to its working condition for use.

ii. Expenditure relating to existing fixed assets is added to the cost of the assets where it increases the performance/life of the assets as assessed earlier.

iii. Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Generally, such retired assets are disposed of soon thereafter.

iv. Pre-operative expenses, including interest on specific loans for the projects incurred till the projects are ready for Commercial Operation, are capitalised.

v. Expenditure on the new projects are included in Capital Work-in-Progress.

c) Depreciation :

i. Depreciation is charged on fixed assets except on Freehold & leasehold land and buildings (in respect of restaurant chain business) as per the straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

ii. Buildings (in respect of the restaurant chain business) constructed on the rented properties are depreciated over the term of the respective leases.

iii. Assets like vehicles, computers etc. utilized during the construction period are not depreciated till the project is ready.

iv. Computer software and licence are depreciated over a period of three years.

v. Liquor licences purchased for restaurant chain business are depreciated over the period of lease term of the respective restaurants.

d) Investments :
Long term Investments are stated at cost of acquisition including brokerage, stamp duty, fees, if any.

e) Inventories :
i. Inventories are valued at cost or replacement value, whichever is less, after providing for obsolescence and damage.
ii. In the case of raw materials, operating supplies and stores, cost represents purchase price and other costs incurred for bringing
inventories upto their locations and are determined on First-In-First-Out basis.

f) Sales :
Sales is exclusive of Luxury tax, Sales tax, Service Tax and other taxes.

g) Accounting for Provisions, Contingent Liabilities and Contingent Assets :
A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of
resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Accounting for contingencies (gains and losses) arising out of contractual obligations, are made only on the basis of mutual acceptances.

h) Events occurring after the date of Balance Sheet date :
Where material, events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

i) Employee Benefit :
Employee benefit plans comprise both defined benefit and defined contribution plans.
Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/ losses are immediately taken to profit and loss account and are not deferred.

Provident fund is a defined contribution plan. Each eligible employee and the company make contributions at a percentage of the basic salary specified under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company's contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. The company has no further obligations under the plan beyond its periodic contributions.

j) Taxation :
i. Provision for current taxation has been made in accordance with the Income Tax Laws applicable to the assessment year.
ii. Deferred Tax is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
iii. In accordance with the Guidance Note on Accounting for credit available in respect of MAT under the Income Tax Act,1961 issued by the ICAI and in view of convincing evidences of the entitlement of credit of the MAT, the current years' MAT provision has been recognised and credited to the Profit & Loss Account.

k) Foreign Currency transactions :
Foreign currency transactions are accounted at the rate prevailing on the date of transaction. Gain or loss arising out of translation/conversion is taken credit for or charged to the Profit & Loss Account.
Exchange difference arising due to repayment or restatement of liabilities incurred for the purpose of acquiring fixed assets are adjusted in the carrying amount of the respective fixed assets.

l) Assets taken on lease :

i. In respect of finance lease transactions, lease rents paid are charged to the Profit and Loss Account in accordance with the terms of the lease agreements.

ii. In respect of operating lease transactions, the assets are not capitalized in the books of the Company and lease payments are charged to the Profit and Loss Account.

m) Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

n) Impairment of Assets :

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

4.6 Pre and Post Offer Shareholding Pattern of the SHL as on date is and shall be as follows:

Shareholders' Category as on date of PA	Shareholding & voting rights prior to the agreement /acquisition and offer		Shares / voting rights acquired which triggered off the Regulations		Post- Issue 46,68,000 shares / voting rights of the Target Company		Shares/ voting rights to be acquired in open offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and offer i.e.	
	A		B		C		D		C+D=E	
	No.	%	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group										
a) Parties to the agreement if any	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Promoters other than above	6674105	51.94	0	0	6674105	38.10	0	0	6674105	38.10
Total 1 (a+b)	**6674105**	**51.94**	**0**	**0**	**6674105**	**38.10**	**0**	**0**	**6674105**	**38.10**
(2) Acquirer										
a) Main Acquirer	1089891	8.48	4668000	26.65	5757891	32.87	3678780	21.00	9436671	53.87
b) PACs*	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total 2 (a+b)	**1089891**	**8.48**	**4668000**	**26.65**	**5757891**	**32.87**	**3678780**	**21.00**	**9436671**	**53.87**
(3) Parties to agreement other than 1 (a) & (b)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(4) Public (other than parties to the agreement, acquirer & PACs										
a) FIs/MFs/FIIs/Banks	1492062	11.61	0	0	1492062	8.52				
b) Bodies Corporate	1026444	7.83	0	0	1026444	5.86	(3678780)	(21.00)	1407224	8.03
c) Clearing Members	46983	0.37	0	0	46983	0.27				
d) NRIs	1256721	9.78	0	0	1256721	7.17				
e) Indian Public	1263794	9.83	0	0	1263794	7.21				
Total (4) (a+b+c+d+e)	**5086004**	**39.58**	**0**	**0**	**5086004**	**29.03**	**(3678780)**	**(21.00)**	**1407224**	**8.03**
Grand Total (1+2+3+4)	**12850000**	**100.00**	**4668000**	**26.65**	**17518000**	**100.00**	**0**	**0.00**	**17518000**	**100.00**

* PAC – There is no PAC with CCPCL. Also, there is no party other than Acquirer to the Offer.

Note: This Offer is conditional and if the Acquirer does not receive atleast 35,03,600 equity shares in the Offer (20% of the total paid up equity capital), all the equity shares tendered will be returned. On successful completion of the Offer, the Acquirer will acquire substantial control in the Target Company and become a part of the Promoter Group of the Target Company. If the Offer does not succeed in terms of the conditions specified, the Acquirer will remain categorised as a public shareholder.

4.7 Status of Corporate Governance

SHL has been complying with requirements of the Listing Agreement of Stock Exchanges on Corporate Governance. The Board of Directors consists of 8 members. Out of 8 members, 2 are Executive & Non-Independent Directors, 1 is Non-Executive & Non-Independent and 5 are Non-Executive & Independent Directors out of which 2 are Nominee Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. SHL is also having following committees in compliance with the Listing Agreement:

- Audit Committee
- Remuneration Committee
- Shareholders/Investors Grievance Committee

The share transfer work has been handled by the Registrar and Transfer Agent ("RTA") of SHL namely M/s Link Intime India Private Limited.

4.8 Status of Pending Litigation as on date of the Letter of Offer

Sr. No.	Name of the Statutory	Forum where Dispute is pending	Disputed Amount	Status
1	Service Tax	Tribunal (CESTAT), New Delhi	Rs. 661.91Lac (As on March 31, 2010 and shown as Contingent Liabilities; Previous Year Rs. 271.00 Lac)	The Company has got stay order against the tax demand of Rs. 127.33 Lacs.
2	SEBI	Investment Management Department (IMD); Division of Funds 1	Not Known (a penalty of Rs. 1.00 lac each day during which such failure continues or Rs. 1.00 Crore which ever is less may be levied)	A Show Cause Notice is issued on April 13, 2010 by Adjudicating Officer (SEBI) for the violation under Reg. 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 1992 and SHL replied to SEBI on April 27, 2010 and requested to condone in this regard.
3.	Luxury Tax, VAT, Entry Tax	Dy. Commissioner of VAT, Indore	Rs. 66.50	The matter is pending before the Dy. Commissioner of VAT, Indore.

4.9 Compliance Officer

Mr. Awadhesh Gupta, Company Secretary
Address: 200, Bhagya Shree Colony, Vijay Nagar, Indore – 452 010, Madhya Pradesh.
Contact No. +91-731-4006666
Email:cs@sayajiindore.com

5. OFFER PRICE

5.1 Justification of Offer Price

5.1.1 The equity shares of the Target Company are listed on Bombay Stock Exchange Limited, Mumbai ("BSE"), Ahmedabad Stock Exchange Limited, Ahmedabad ("ASE"), Vadodara Stock Exchange, Vadodara ("VSE") and Madhya Pradesh Stock Exchange, Indore ("MPSE"). Based on the information available, the Shares of the Target Company, within the meaning of explanation (i) to regulation 20(5) of the Regulations, are frequently traded on BSE only. The Equity Shares are held partly in demat mode and partly in physical mode and placed in "B" Group with a Scrip Code of 523710 on BSE.

5.1.2 Based on the information available on the website of BSE, the equity shares of the Target Company are frequently traded in terms of the Regulations. There is no trading in the shares of SHL on other stock exchanges viz. ASE, VSE and MPSE. In the 26 weeks and the 2 weeks preceding the date of the PA, the shares of the Target Company are frequently traded on BSE within the meaning of Regulation 20(5) of the Regulations.

5.1.3 The annualized trading turnover in the shares of the Target Company on BSE based on trading volume during September 2009 to February 2010 (six calendar months preceding the month in which the PA is made) is given below:

Name of the Stock Exchange	Total number of shares traded during the 6 calendar months prior to the month in which PA was made	Total Number of Listed Shares	Annualized Trading Turnover (in terms of % to Total Listed Shares)
BSE	18,62,496	1,28,50,000	28.99

5.1.4 The Offer Price of Rs. ------ (including an interest of Rs. --- per share for the delayed period commencing from the original date of closing till the revised date of closing of the Offer) per share has been determined in terms of Regulation 20(4) of the Regulations applicable to frequently traded Shares.

Sr. No.	Particulars		Rupees per share
(a)	Negotiated price under the Shares Purchase Agreement		Not Applicable
(b)	Highest price paid by the Acquirer for acquisitions, if any, including by way of allotment in a Public or Rights or Preferential Issue, during the 26 week period prior to the date of the Public Announcement.		Not Applicable
(c)	The average of the weekly high and low of closing prices of the shares during 26 weeks period preceding the Date of Public Announcement		Rs. 70.29
(d)	The average of the daily high and low of the prices of the shares during two weeks period preceding the Date of Public Announcement		Rs. 96.71
(e)	The Conversion Price per Equity Share of each FCCBs		Rs. 75.00
(f)	**Other Parameters – Standalone**	**31/12/2009 (Unaudited)**	**31/03/2009 (Audited)**
i.	Return on Networth (in %)	--	8.89
ii.	Book Value	--	45.34
iii.	Earnings Per Share	1.28 (Not Annualized)	4.03

(g)	**Other Parameters – Consolidated**	**31/12/2009 (Unaudited)**	**31/03/2009 (Audited)**
iv.	Return on Networth (in %)	--	(6.23)
v.	Book Value	--	35.57
vi.	Earnings Per Share	(1.10) (Not Annualized)	(2.22)
vii.	Price Earning Multiple	Not Applicable	Not Applicable
viii.	Industry Average (Source: Capital Market; May 17 - 30, 2010)	38.70	38.70

In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 115.73 (Rupees One Hundred Fifteen and Seventy-Three Paise Only) per share being higher than the highest of the prices mentioned above is justified in terms of the Regulations. Further, the above-mentioned Offer Price is inclusive of Rs. 5.73 per share as interest for the delayed period in terms of the Regulations.

5.1.5 The details of the average of the weekly high and low of the closing prices and volume of the Shares on BSE for the 26-week period prior to the date of the Public Announcement are as under:

Weeks	From	To	Closing High	Closing Low	Average	Volume
1	30-March-2010	24-March-2010	109.30	105.10	107.20	205007
2	23-March-2010	17-March-2010	98.25	86.50	92.38	112293
3	16-March-2010	10-March-2010	82.20	73.85	78.03	104833
4	09-March-2010	03-March-2010	78.25	74.00	76.13	9856
5	02-March-2010	24-February-2010	76.50	75.20	75.85	13442
6	23-February-2010	17-February-2010	76.45	73.50	74.98	39902
7	16-February-2010	10-February-2010	75.90	70.85	73.38	11585
8	09-February-2010	03-February-2010	76.10	70.50	73.30	4591
9	02-February-2010	27-January-2010	74.55	70.30	72.43	33149
10	26-January-2010	20-January-2010	72.70	69.30	71.00	10843
11	19-January-2010	13-January-2010	72.95	70.25	71.60	13387
12	12-January-2010	06-January-2010	75.90	71.20	73.55	17803
13	05-January-2010	30-December-2009	71.60	68.95	70.28	12322
14	29-December-2009	23-December-2009	70.65	70.50	70.58	4730
15	22-December-2009	16-December-2009	69.90	68.40	69.15	9972
16	15-December-2009	09-December-2009	75.20	70.05	72.63	35586
17	08-December-2009	02-December-2009	84.90	78.25	81.58	573714
18	01-December-2009	25-November-2009	69.85	63.90	66.88	105994
19	24-November-2009	18-November-2009	69.80	61.50	65.65	245442
20	17-November-2009	11-November-2009	58.90	53.85	56.38	32829
21	10-November-2009	04-November-2009	57.70	51.40	54.55	54493
22	03-November-2009	28-October-2009	54.00	50.20	52.10	10829
23	27-October-2009	21-October-2009	60.10	55.15	57.63	24767
24	20-October-2009	14-October-2009	60.45	57.65	59.05	21003
25	13-October-2009	07-October-2009	60.80	53.25	57.03	75965
26	06-October-2009	30-September-2009	55.55	53.00	54.28	24864
			Average Price		**70.29**	

(Source: www.bseindia.com)

5.1.6 The details of the average of the daily high and low prices and volume on BSE for the 2-week period prior to the date of the Public Announcement are as under:

Days	Date	Daily High	Daily Low	Average	Volume
1	17-March-2010	87.00	82.50	84.75	23606
2	18- March-2010	95.15	82.30	88.725	50688
3	19- March-2010	91.75	85.55	88.65	12777
4	22- March-2010	90.00	86.00	88.00	6794
5	23- March-2010	98.25	87.75	93.00	18428
6	24- March-2010*	0	0	0	0
7	25- March-2010	108.05	94.10	101.075	63864
8	26- March-2010	118.85	105.10	111.975	121292
9	29- March-2010	111.80	104.00	107.90	9262
10	30- March-2010	110.35	102.30	106.325	10589
		Average Price		**96.71**	

(Source: www.bseindia.com)

*Due to "Ramnavmi", BSE was closed for trading.

5.1.7 Non-compete Fee

The Acquirer has not entered into any agreement for payment of non-compete fee and has not made payment in this regard.

5.1.8 Based on the above and in the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified as per the Regulation 20 (11).

5.1.9 The Acquirer undertakes that it will not acquire any shares in the Target Company from the date of PA till the date of closure of the Offer.

6. Financial Arrangements

6.1 The Acquirer has adequate resources to meet the financial requirements of the offer in terms of Regulation 16 (xiv) of the Regulations.

6.2 The total fund requirement for the Offer is Rs. 42,57,45,210 (Rupees Forty-Two Crore Fifty-Seven Lac Forty-Five Thousand Two Hundred and Ten only). In accordance with Regulation 28 of the Regulations, the Acquirer has opened an Escrow Account in the name and style as "CCPCL-SHL-Escrow A/c" bearing Account No. 00600350083282 with HDFC Bank Limited, Nanek Motwane Marg Branch, Mumbai - 400001 and made a Cash deposit of US$ 2,250,000 equivalent to Rs. 996.97 Lac (Rupees Nine Crore Ninety-Seven Lac only) @ Exchange Rate of Rs. 44.31 per USD($) as on March 30, 2010 in the said account. Thereafter the Acquirer has deposited a sum of USD 160,000 equivalent to Rs. 70.08 Lac on October 29, 2010 in the said Escrow Account consequent upon increase in the Offer Size from 35,03,600 shares (20%) to 36,78,780 shares (21%). Currently, the total amount lying in Escrow Account is Rs. 1067.05 Lac which is more than 25% of the total consideration payable to the shareholders under the Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the bank. The Manager to the Offer i.e. Systematix Corporate Services Limited has been solely authorised by the Acquirer to operate and realise the value of Escrow Account in terms of the Regulations.

6.3 In terms of Regulation 16 (xiv) of the Regulations, it is confirmed that the Acquirer has adequate resources and have made firm financial arrangements to meet their offer obligations in full. The financial obligations of the Acquirer under the Offer will be fulfilled through internal resources of the Acquirer and no borrowings from Banks or Financial Institutions is envisaged.

6.4 The Acquirer has adequate financial resources as per their audited trial balance sheet and CCPCL have made firm financial arrangements for the implementation of the Offer in full out of their own Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. CPA Ernst & Young Cyprus Limited (Practicing Certificate No. E146/001) having their office Nicosia Tower Centre, 36 Byron Avenue, P.O. Box 21656; 1511 Nicosia, Cyprus. Tel. No. +357-2220-9999 and Fax No. +357-2220-9998/97/96 vide their certificate dated March 29, 2010 have confirmed that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full.

6.5 The Acquirer in compliance with Regulation 22(11) of the Regulations has made firm financial arrangements to fulfill the obligations under the Offer.

6.6 The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the Regulations and confirms that firm arrangements for funds and money for payment through verifiable means are already in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

7.1.1 The Offer is being made in compliance with the provisions of Regulations 10 and 12 and other applicable provisions of the Regulations for the purpose of substantial acquisition of Equity Shares in the Target Company.

7.1.2 The acceptance of the Offer is entirely at the discretion of the equity Shareholders of SHL and each Shareholder (except the Acquirer) of SHL holding fully paid-up Equity Shares to whom this Offer is being made is free to offer his shareholding in SHL, in whole or in part while accepting the Offer.

7.1.3 Accidental omission to despatch this Letter of Offer or any further communication to any person to whom this Offer is made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

7.1.4 The instructions, authorisations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

7.1.5 The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centres mentioned in Para 8.2 under "Procedure for Acceptance and Settlement" on or before December 15, 2010. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

7.1.6 The Offer is a Conditional Offer. The Acquirer will acquire all the fully paid up Equity Shares of SHL that are validly tendered and accepted in terms of this Offer upto 36,78,780 fully paid-up Equity Shares of Rs. 10/- each representing 21% of the post-conversion paid up and voting capital of the Company, however the acquirer agrees to acquire 35,03,600 fully paid-up equity shares of Rs. 10/- each, representing in aggregate 20% of the Paid up and Voting Equity Share Capital of SHL, irrespective of whether or not the response to the offer is received to the extent of 36,78,780 fully paid up equity shares of SHL. If the number of valid Shares tendered in terms of the Offer is less than 35,03,600 fully paid-up equity shares, the acquirer shall not accept any Shares tendered.

7.1.7 All Shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever.

7.1.8 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of SHL are advised to adequately safeguard their interest in this regard.

7.1.9 Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of Closure of the Offer i.e. upto December 15, 2010.

7.1.10 If the aggregate of the valid responses to the Offer exceeds 35,03,600 but remains below 36,78,780 fully paid up Equity Shares, then the Acquirer shall accept the valid applications received only upto 35,03,600 on a proportionate basis. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The Equity Shares of SHL are traded in Demat mode only, with the lot size of 1 Share. Since the Shares are compulsorily traded in dematerialized form, minimum acceptance will be one share.

7.1.11 The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of an Announcement in the same newspapers in which the Public Announcement had appeared.

7.2 LOCKED IN SHARES

There were no equity shares of SHL that are “locked-in” as on March 31, 2010 as per SEBI (ICDR) Regulations, 2009.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

The Offer is made to all the equity shareholders (except the Acquirer) of SHL whether registered or not who own the fully paid up equity shares anytime prior to the closure of the Offer. However, the Letter of Offer is being mailed to those shareholders whose names appear on the Register of Members of SHL at the close of business hours on the Specified Date i.e. April 3, 2010. Shareholders (except the Acquirer) holding fully paid Shares of SHL any time prior to the closure of the Offer are eligible to tender their Shares in terms of this Offer.

7.4 STATUTORY APPROVALS

7.4.1 The Acquirer had filed an application with RBI on April 1, 2010 to acquire shares in Open Offer in accordance with SEBI (SAST) Regulations, 1997. The acceptance of Shares from Resident and Non-Resident Shareholders is subject to the approval of the Reserve Bank of India (‘RBI’) under the Foreign Exchange Management Act, 1999 (‘FEMA’) and the RBI’s Master Circular No. 2/2009-10 dated 1st July 2009. RBI granted their approval on May 19, 2010 vide their Letter No. FE.CO.FID. No. 28784/10.21.196/2009-10. As on date of this Letter of Offer, no statutory approvals are required to acquire shares tendered pursuant to this Offer. If non-resident shareholders, overseas corporate bodies and foreign shareholders had required any RBI or FIPB approval in respect of any equity shares held by them in the Target Company; they will be required to submit their previous RBI or FIPB approvals that they would have obtained for holding the equity shares of the Target Company. In case such permissions are not submitted, the Acquirer reserves the right to reject such equity shares tendered in the Open Offer.

7.4.2 The Acquirer has also received SEBI’s observations in terms of proviso of Reg. 18(2) of the Regulations vide their letter no. CFD/DCR/TO/EB/OW/26629/2010 dated November 15, 2010 to implement the Offer.

7.4.3 To the best of the knowledge of the Acquirer, as on the date of this Letter of Offer, there are no statutory approvals required to implement the Offer. If any other statutory approvals become applicable, the Offer would also be subject to such statutory approvals. The Acquirer, in terms of Regulation 27 of SEBI (SAST) Regulations, will not proceed with the Offer in the event the statutory approvals indicated above are refused.

7.4.4 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders of SHL, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

7.4.5 To the best of their knowledge, the Acquirer does not require any approvals from financial institutions or banks for the Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 The Acquirer has appointed **Sharepro Services (India) Private Limited** as Registrar to the Offer. Therefore, the Form of Acceptance-cum-Acknowledgement along with all the relevant documents shall be send only to the Registrar to the Offer. No documents should be sent to the Acquirer, SHL or the Manager to the Offer.

8.2 All eligible owners of fully paid Equity Shares of SHL, registered or unregistered who wish to avail and accept the Offer can hand deliver the Form of Acceptance-cum-Acknowledgement along with all the relevant documents on all working days of the below mentioned collection centres during their respective timings. The collection centres will be remain closed on Sundays and Public Holidays.

Address of Collection Centers	Contact Person, Contact Numbers & Email	Mode of Delivery, Days & Timings
13AB, 2nd Floor, Samhita Warehousing Complex; Near Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka; Andheri (East) Mumbai - 400 072.	Mr. Prakash Khare / Mr. Ganesh Rane Tel No.:022-67720420/422 Fax No.:022-28591568 Email: shl.offer@shareproservices.com	Hand Delivery / Registered Post Monday to Saturday (9.30 am to 5.00 pm)
912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021.	Ms. Maharukh Bharucha / Mr. Ravi Bhandari Tel No.:022-22881568 / 66134700 Fax No.: 022-22825484 Email: shl.offer@shareproservices.com	Registered Post Monday to Friday (11.00 am to 3.30 pm)

8.3 In case of dematerialised equity shares, the shareholders should ensure that the credit to the Special Depository Account mentioned in paragraph 8.6 below of this Letter of Offer should be received on or before closure of the Offer. In order to ensure this, beneficial owners should tender the Delivery Instructions at least two working days prior to the closure of the Offer. Form of Acceptance of such dematerialised equity shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

8.4 **Procedure for equity shares held in physical form**

❖ **Registered shareholders of the Target should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
- Original equity share certificate(s);
- Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures as mentioned above.

Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank share transfer form is enclosed along with this Letter of Offer.

In case of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the Offer has been accepted.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target or are not in the same order, such equity shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such equity shares.

❖ **Unregistered owners of equity shares of the Target should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
- Original equity share certificate(s);
- Original broker contract note;
- Valid share transfer deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
- The acknowledgement received, if any, from the Target in case the equity shares have been lodged with the Target. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection centres as mentioned in Para 8.2 above of this Letter of Offer. The applicant should ensure that the certificate(s) reach the designated collection centre before the date of closing of the Offer.

8.5 Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer at the collection centres as mentioned in Para 8.2 above of this Letter of Offer, on plain paper stating name, address, number of equity shares held, no. of equity shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), valid transfer deeds in case of equity shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of equity shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their equity shares. No indemnity is required from the unregistered owners. Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

8.6 Procedure for equity shares held in dematerialised form

❖ **Beneficial Owners should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of equity shares only. In case of non-receipt of the aforesaid documents, but receipt of the equity shares in the Special Depository Account, the Offer shall be deemed to be accepted.
- A photocopy or counterfoil of the Delivery Instructions in "Off-market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
- Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with NSDL called, "**Escrow Account SHL Open Offer**". Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their equity shares in the Special Depository Account:

Name of the Account	Escrow Account SHL Open Offer
Depository	National Securities Depository Limited (‘NSDL’)
Depository Participant (DP)	Stock Holding Corporation of India Limited (‘SHCIL’)
DP ID Number	IN301330
Beneficiary Account Number / Client ID	20831111
ISIN	INE318C01014
Mode of Instruction	Off-Market

8.7 Shareholders, having their beneficiary account with Central Depository Services India Limited (‘CDSL’) have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL. Since the equity shares of the Target are in compulsory demat mode, the minimum marketable lot for such equity shares will be one.

❖ **Shareholders who have sent their equity share certificates for dematerialization should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/joint equity shareholders whose name appears on the equity share certificate and in the same order and as per the specimen signature lodged with the Target Company.
- A copy of the dematerialisation request form duly acknowledged by the equity shareholders depository participant. Such equity shareholders should ensure that the credit of their equity shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the equity shares sent for dematerialisation are yet to be processed by the equity shareholders depository participants, the equity shareholders can withdraw their dematerialization request and tender the equity share certificates in the Offer as per procedure mentioned in this Letter of Offer.

8.8 Procedure to be adopted in case of non-receipt of the Letter of Offer

❖ **By equity shareholders holding equity shares in physical form**

In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer at the collection centres as mentioned in Para 8.2 above of this Letter of Offer, on plain paper stating their name, address, number of equity shares held, no. of equity shares offered, distinctive numbers, folio numbers together with the original share certificate(s), valid transfer deeds in case of equity shares held in physical form, so as to reach the Registrars to the Offer on or before the date of closing of the Offer.

Shareholders who have lodged their equity shares for transfer with the Target must also send the acknowledgement received, if any, from the Target towards such lodging of equity shares. Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

❖ **By equity shareholders holding equity shares in dematerialised form**

Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer at the collection centres as mentioned in Para 8.2 above of this Letter of Offer, on plain paper, stating name, address, number of equity shares held, number of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in “Off market” mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in Para 8.6 above of Offer.

Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL. No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

8.9 **As per the provisions of section 196D(2) of the Income-tax Act, 1961, and as amended ("Income-tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor as defined in section 115AD of the Income-tax Act.**

However, if the equity shares are held by the FIIs on trade account or if the FIIs fails to certify in the Form of Acceptance that the Shares are held by it on investment/capital account, then the Acquirer will deduct tax at source from the gross proceeds at the applicable tax rate. Further, Non Resident Individuals, Overseas Corporate Bodies, FIIs holding equity shares on trade account and other non-resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income-tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the relevant category of shareholders on the entire consideration amount payable to such shareholders.

If non-resident shareholders, overseas corporate bodies and foreign shareholders had required any RBI or FIPB approval in respect of the equity shares held by them in the Target, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the equity shares of the Target. In the event such permissions are not submitted, the Acquirer reserves the right to reject such equity shares tendered in the Offer.

8.10 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the equity shares in respect of which the acceptance is being sent in connection with the Offer. Such documents may include, but are not limited to:

i. duly attested death certificate and succession certificate in case of single shareholder;
ii. duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);
iii. in case of companies, the necessary corporate authorization (including applicable resolutions, consents and approvals of the applicable governing bodies of such companies);
iv. any other relevant documentation.

8.11 The Registrar to the Offer will hold in trust the Form of Acceptance, equity share certificates, transfer deeds and equity shares lying in credit of the Special Depository Account and other documents on behalf of the shareholders of the Target who have tendered in the Offer, until the cheques / drafts for the consideration and/or the unaccepted equity shares/equity share certificates are dispatched/returned. The Acquirer would not have access to these equity shares until such time.

8.12 The Acquirer shall accept all valid fully paid up equity shares tendered (except those which are withdrawn, within the date specified for withdrawal) up to the Offer Size. Equity shares will be acquired by the Acquirer free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue thereafter.

8.13 If the number of equity shares tendered by the shareholders in connection with the Offer is more than the Offer Size, the acquisition from each shareholder will be as per Regulation 21(6) of the Regulations, on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that, acquisition of equity shares from a shareholder, shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the Shares trade in compulsory dematerialized segment, the minimum marketable lot for the equity shares is 1 (one).

8.14 The consideration for the equity shares of the Target accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500 or unaccepted equity share certificates, transfer deeds and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. Cheques/demand drafts for Rs 1,500 or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

8.15 In case of dematerialised equity shares, the equity shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The equity shares held in dematerialised form to the extent not accepted as a result of non-payment/part payment of consideration by the Acquirer under the Offer will be released to the beneficial owner's depository account with the respective beneficial owners depository participant as per details furnished by the beneficial owner in the Form of Acceptance, at the sole risk of the beneficial owners.

8.16 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrars to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before December 9, 2010.

8.17 The withdrawal option can be exercised by submitting the following:

❖ **For equity shares held in dematerialised form**

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal accompanying this LOO. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the depository participant.

For equity shares held in physical form:

Registered shareholders should enclose:

- Duly signed and completed Form of Withdrawal accompanying this LOO.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- In case of partial withdrawal, valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

8.18 In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- In case of physical equity shares: name; address; distinctive numbers; folio number, number of equity shares tendered and to be withdrawn; and

- In case of dematerialized equity shares: name; address; number of equity shares offered and number of equity shares to be withdrawn; DP name; DP ID; beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the Special Depository Account;
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.
- The withdrawal of equity shares will be available only for the share certificates/shares that have been received by the Registrar to the Offer/credited to Special Depository Account.
- The intimation of returned equity shares to the Shareholders will be at the address as per the records of the Target /Depository as the case may be.
- The Form of Withdrawal should be sent only to the Registrar to the Offer.
  In case of partial withdrawal of equity shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company.
- Partial withdrawal of tendered equity shares can be done only by the registered shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

- Shareholders holding equity shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account
- The Shares withdrawn by the Shareholders would be returned by registered post.

8.19 **Payment Consideration**

Payment to those shareholders whose certificates and/or other documents are found valid and in order and are approved by Manager and Registrar will be paid by way of a crossed account payee Cheque/Demand Draft/Pay Order through Direct Credit (DC)/National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/National Electronic Clearing Services (NECS)/ Electronic Clearing Services (ECS). Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS/ECS are requested to give the authorisation for the same in the Form of Acceptance cum Acknowledgement and enclosed a photocopy of cheque along with form of Form of Acceptance cum Acknowledgement. The consideration to the shareholders will be paid as per the option selected by the shareholders while providing their bank account details mentioned in the Form of Acceptance cum Acknowledgement.

8.20 Mode of making Payment to the Shareholders whose shares are accepted in the Open Offer

Electronic Clearing System (‘ECS’) – Payment would be done through ECS for Shareholders having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment through ECS is mandatory for Shareholders having a bank account at any of the abovementioned 68 centers, except where the Shareholder, being eligible, opts to receive payment through direct credit or RTGS.

Direct Credit ('**DC'**) – Shareholders having bank accounts with the Escrow Banker, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

Real Time Gross Settlement ('RTGS') – Shareholders having a bank account at any of the abovementioned 68 centres and whose amount exceeds Rs. 1.00 Lac, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Acceptance-cum-Acknowledgement Form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.

National Electronic Fund Transfer ('NEFT') – Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

For all other Shareholders, and those who have not updated their bank particulars with the MICR code, the payments will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for payments above Rs. 1,500. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders.

8.21 Return of shares in the event of not receiving 35,03,600 equity shares representing 20% of paid up capital of the Target Company.

If the Acquirer does not receive a minimum of 35,03,600 equity shares representing 20% of paid up capital of the Target Company; all the equity shares will be transferred/despatched to the respective beneficiary accounts/shareholders. All physical equity shares having value Rs. 1500/- or above will be returned through Registered-Post.

9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the Shareholders of SHL at the Office of Systematix Corporate Services Limited at J.K. Somani Building, 2nd Floor, Mumbai Samachar Marg, British Hotel Lane, Fort, Mumbai – 400 001 on Monday to Friday except bank holidays till the Offer Closing date from 10.00 a.m. to 5.00 p.m.

9.1 Certificate of Incorporation, Memorandum and Articles of Association of Sayaji Hotels Limited.

9.2 Certificate from CPA Ernst & Young Cyprus Limited having their office Nicosia Tower Centre, 36 Byron Avenue, P.O. Box 21656; 1511 Nicosia, Cyprus. Tel. No. +357-2220-9999 and Fax No. +357-2220-9998/97/96 vide their certificate dated March 29, 2010 that the Acquirer has adequate resources to fulfill the total obligation of the Offer.

9.3 Annual Reports of Sayaji Hotels Limited for the financial years ended 31st March 2007, 31st March 2008, 31st March 2009 and unaudited financials as certified by the Statutory Auditors of the Target Company for the nine months period ended on 31st December 2009.

9.4 Certificate of Incorporation, Memorandum and Articles of Association and Audited Accounts of Clearwater Capital Partners (Cyprus) Limited for the financial years ended 31st December 2007, 31st December 2008 and Unaudited figures as certified by the Registered Auditors of CCPCL as at 31st December 2009.

9.5 Escrow Account Details opened with HDFC Bank Limited, Nanek Motwane Marg Branch, Mumbai - 400001 and availability of Cash deposit of US$ 2,250,000 equivalent to Rs. 996.97 Lac (Rupees Nine Crore Ninety-Seven Lac only) @ Exchange Rate of Rs. 44.31 per US$ made on March 30, 2010 in the said account, being more than 25% of the total consideration payable to the shareholders under the Offer. A letter from the bank confirming the amount kept in the escrow account and a lien in favour of Systematix Corporate Services Limited.

9.6 A copy of the Public Announcement published on March 31, 2010 and Corrigendum to the Public Announcement published on November 18, 2010.

9.7 A Copy of letter bearing reference number CFD/DCR/TO/EB/OW/26629/2010 dated November 15, 2010 received from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

9.8 A copy of the agreement with Depository Participant for opening of a special depository account for the purpose of the Offer.

9.9 Memorandum of Understanding between the Acquirer and Systematix Corporate Services Limited.

9.10 Memorandum of Understanding between the Acquirer and Systematix Corporate Services Limited and the Registrar to the Offer.

9.11 Memorandum of Understanding between the Acquirer and Systematix Corporate Services Limited and the Escrow Banker.

9.12 Undertaking from the Acquirer for unconditional payment of the considerations within 15 days of closure to all the Shareholders of the target company whose applications are accepted in the Open Offer.

9.13 Share price quotations and volume data downloaded from official website of BSE.

9.14 Copy of RBI approval dated May 19, 2010 for the acquisition of shares by CCPCL in the Offer.

9.15 Copy of Notice served to the Conversion Agent for the conversion of FCCBs into Equity Shares.

9.16 FCCBs Offering Circular dated July 28, 2006 managed by Silverdale Services Limited.

9.17 The approval of Board of Director dated May 10, 2010 for the conversion and allotment of 46,68,000 equity shares in the Target Company to the Acquirer.

10. DECLARATION

10.1 We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

10.2 We are severally and jointly responsible for ensuring compliance with the Regulations. All information contained in this document is as on date of the Public Announcement, unless stated otherwise.

10.3 We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997.

On behalf of Clearwater Capital Partners (Cyprus) Limited

Sd/-
Director / Authorized Signatory

Date: October 29, 2010
Place: Mumbai

Enclosures:
(1) Form of Acceptance cum Acknowledgement
(2) Form of Withdrawal
(3) Transfer Deed for Shareholders holding Shares in Physical Mode

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE - CUM - ACKNOWLEDGEMENT

OFFER OPENS ON:	**November 26, 2010**
OFFER CLOSES ON:	**December 15, 2010**

From: - (Individual/Body Corporate/NRI/OCB/FI/MF/Bank/Clearing Member/FII/Non-Resident)

Folio No.:	Sr. No:	No of Shares Held:
Tel. No:	Fax No:	E-Mail:

Sharepro Services (India) Private Limited
13AB, 2nd Floor, Samhita Warehousing Complex;
Near Sakinaka Telephone Exchange Lane;
Off Andheri Kurla Road, Sakinaka;
Andheri (East) Mumbai - 400 072.
Tel. No. +91-22-6772 0420/22;
Fax No. +91-22-2859 1568
E-mail: shl.offer@shareproservices.com

Sub.: Conditional Open Offer for purchase of 36,78,780 Equity Shares of SHL representing 21% of the Equity Voting Capital at a price of Rs. ---/- (Rupees ----------------------- Only) per Share by CCPCL under SEBI (SAST) Regulations.

Dear Sir,

I/We refer to the Letter of Offer dated October 29, 2010 for acquiring the Equity Shares held by me/us in SHL.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM:

I/We accept the Offer and enclose the original Share certificate (s) and duly signed transfer deed (s) in respect of my/our Shares as detailed below:

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
Total Number of Equity Shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We note and understand that the shares would lie in the Escrow Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the Equity Shares of SHL, which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so Offered which they may decide to accept in consultation with the Registrar to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, equity Share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorize the Acquirer or the Registrar to the Offer to send by Registered Post (under UCP if less than Rs. 1,500/-) the draft/cheque in settlement of the amount to the sole/first holder at the address mentioned below:
Yours faithfully,

Signed and Delivered (…………………………………………………..)

	Full Name (s)	Signature (s)
First / Sole Shareholder		
Second Shareholder		
Third Shareholder		

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal.

Address of First/Sole Shareholder
____

Place:
Date:

So as to avoid fraudulent encashment in transit, Shareholder(s) may provide details of bank account of the first / sole Shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ______________________________ Branch ________________________
Account Number _______________________________ Savings/Current/Others
(Please Specify)______________________________
I/We want to receive the payment through ECS☐ RTGS☐ NEFT☐ DC☐ NECS☐
In case of ECS, 9- digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank ☐☐☐☐☐☐☐☐☐
In the case of RTGS/NEFT, 8 digit IFSC number issued by the Bank ☐☐☐☐☐☐☐☐

Business Hours: Monday to Saturday: 9.30 a.m. to 5.00 p.m. else as per the timings of collection centres

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

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Acknowledgement Slip

Folio No.: Serial No.

Received from Mr. / Ms. ______________________________

Address: ____
____

Number of certificate(s) enclosed ________ Certificates Number(s) ______________________________________

Total number of Share(s) enclosed ______________________

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

Note: All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned overleaf.

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this Offer any time upto three working days prior to the date of closure of Offer. In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **OFFER OPENS ON: November 26, 2010** **LAST DATE OF WITHDRAWAL: December 9, 2010** **OFFER CLOSES ON: December 15, 2010**

From: -(Individual/Body Corporate/NRI/OCB/FI/MF/Bank/Clearing Member/FII/Non-Resident)

Folio No.:	Sr. No:	No of Shares Held:
Tel. No:	Fax No:	E-Mail:

Sharepro Services (India) Private Limited
13AB, 2nd Floor, Samhita Warehousing Complex;
Near Sakinaka Telephone Exchange Lane;
Off Andheri Kurla Road, Sakinaka;
Andheri (East) Mumbai - 400 072.
Tel. No. +91-22-6772 0420/22;
Fax No. +91-22-2859 1568
E-mail: shl.offer@shareproservices.com

Sub.: Conditional Open Offer for purchase of 36,78,780 Equity Shares of SHL representing 21% of the Equity Voting Capital at a price of Rs. ---/- (Rupees --------------------------- Only) per Share by CCPCL under SEBI (SAST) Regulations.

Dear Sir,

I/We refer to the Letter of Offer dated October 29, 2010 for acquiring the Equity Shares held by me/us in SHL.

I/We, the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

I/We have read the procedure for withdrawal of Equity Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Equity Shares from the Offer and I/We further authorize the Acquirer to return to me/us the tendered equity Share certificate(s)/Share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Equity Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this form of withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal December 9, 2010 by 5.00 pm else as per the timings of the collection centre.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Equity Shares and also for non-receipt of Equity Shares due to inaccurate/incomplete particulars/instructions.

I/We also note that and understand that the original Share certificate(s), Share transfer deeds(s) and Equity Shares only on completion of verification of the documents, signatures carried out by the Registrar.

The particulars of tendered original Share certificate(s) and duly signed transfer deed(s) and the Shares we withdraw are detailed below.

Folio No. :

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	
	Tendered			
1)				
2)				
3)				
	Withdrawn			
1)				
2)				
3)				
Total Number of Equity Shares				

I/We note and understand the terms of withdrawal of acceptance and request you to return the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to reject the Shares so offered which it may decide in consultation with Registrar to the Offer and in terms of the Letter of Offer.

Yours faithfully,

Signed (…………………………………………………………….)

	Full Name (s)	Signature (s)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder

____

Place:
Date:

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

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Acknowledgement Slip

Folio No.: Serial No.

Received from Mr. / Ms. ______________________________

Address: ____

____

Form of withdrawal in respect of ______ Number of Shares
Certificates representing ____________ Number of Shares.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

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